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SUBJECT: SMALL KURDISH PARTIES TAP FRUSTRATION WITH KDP AND PUK

Classified By: Acting Deputy Political Counselor Chris Hegadorn for rea sons 1.4 (b/d).

(C) Summary: Islamist and other small parties in Iraqi Kurdistan are attempting to exploit growing public frustration with the dominant Kurdistan Democratic Party (KDP) and Patriotic Union of Kurdistan (PUK). Based on anecdotal evidence, the two parties appear to be losing popularity, though not power, due to the perception that they are less like political parties than political machines -corrupt, omnipresent influences on public life. The small parties, most notably the Kurdistan Islamic Union (KIU), are attempting to wedge their way into the political space by eschewing corruption and preaching moderation in the Kurdistan Regional Government (KRG)'s dealings with Baghdad and Washington. Four of the smaller Kurdish parties submitted a letter in January 2008 to the KDP and PUK outlining concerns over electricity failures, corruption and regional tensions. At this time, however, they are attempting only to amplify their voices in governance, not to supplant the PUK or KDP that for decades have dominated Iraqi Kurdish politics. End summary.

KDP and PUK Dominant But Losing Popularity

(C) Based on anecdotal evidence and observation, the Kurdish population appears increasingly frustrated with both the PUK and KDP for their perceived corruption, failure to deliver essential services, and omnipresence in public life. The degree of discontent is difficult to measure, but these complaints are becoming familiar from ordinary KRG residents. Denise Natali, an Amcit professor at Kurdistan University, and a savvy observer of Kurdish politics, told PolOffs on February 4 that both major parties are losing support due not only to the failures listed above but to the waning power of the Kurdish nationalism that has sustained both parties for decades. Natali argued that without the threat from Saddam Hussein, and with opinions on KDP and PUK governance mixed at best, the only party inspiring even modest Kurdish nationalism among the general public is the PKK. As in other areas of the Middle East, Islamists are best positioned to capitalize on this disillusionment because of their reputation as less corrupt than the secular nationalists, in Natali's opinion.

Islamists and Leftists Seek to Fill Void

13. (C) The strongest small party is the Kurdistan Islamic Union (KIU), led by Secretary General Salahhadin Bahaddin. The other significant religious party is the Kurdistan Islamic Group; secular parties include the Kurdistan Toilers, Party, Kurdistan Socialist Democratic Party (KSDP), and Kurdistan Communist Party. The groups have little in common philosophically -- Saad Amin, a KRG minister from the Toilers, Party, told PolOffs on February 7 that he opposes

the Islamists, ideology "one hundred percent." All share, however, an interest in reducing the dominance of the PUK and KDP, a perception that popular frustration has created a market for fresh voices, and the argument that the two parties are partly to blame for the KRG's perceived deteriorating relations with Baghdad, Washington, and Ankara. The KIU voices particular objection to the unilateral KRG oil contracts that have so riled the GOI -- Bahaddin and COR Member Sami Atroshi called the contracts unnecessarily provocative, saying they could have waited for Baghdad's support, and criticizing the opaque way in which the KRG awarded the contracts.

Platform Blasts Corruption, Quarrels With Neighbors

14. (C) Four of these parties -- the KIU, Islamic Group, Toilers, Party, and KSDP -- registered their complaints in January in a joint letter to the KDP and PUK. The letter's principal accusations were that the two large parties are failing to deliver essential services, mishandling the KRG's external relations, and stymieing other groups, political participation. The PUK and KDP reacted harshly at first -both blasted the letter publicly for undermining Kurdish solidarity at a delicate time, and Saad Amin says KDP Politboro member Fadhil Merani angrily threatened to withdraw the four parties, public funding if they continue to "oppose" the KDP. After this initial outburst, Bahaddin claims the large parties, positions softened; a KDP-PUK committee formed to discuss the small parties, grievances, and the two parties accepted the criticism of inadequate service delivery, though maintaining that the time is wrong for Kurdish discord. (Note: Anger may run deep over the letter, however. In a February 5 meeting between Senior Adviser and President Barzani, only the

Communist party had representation -- the one small party that refused to sign the letter. End Note)

15. (C) The KIU criticized the KRG's handling of the Turkey/PKK crisis. The party,s stance appears to have endeared Bahaddin to the Turkish government, probably because Ankara sees Bahaddin as more moderate than Barzani and because of the shared Islamist orientation of the KIU and Turkey's ruling AKP. Bahaddin said he supports a KRG effort to enfranchise its Turcoman population as a confidence-building measure and incentive for Ankara to reciprocate by granting more political rights to Turkish Kurds. In late November he led the first major Iraqi Kurdish delegation to Ankara, consisting of representatives from each major Kurdish political party, which Ankara received warmly and which helped calm a tense situation after the PKK attacked and abducted Turkish soldiers. Ankara subsequently has invited Bahaddin back on several occasions, according to KIU MP Sami Atroshi. Bahaddin said Barzani has forbidden him from accepting the invitations, on the grounds that Ankara must recognize the KRG and Barzani as its primary Iraqi Kurdish interlocutor.

Small Parties Seek Larger, Not Dominant, Voice

16. (C) The small parties avoid strident opposition to the PUK and KDP, particularly outside of the KRG. Bahaddin said the KIU allies explicitly with the two large parties in Baghdad and Kirkuk -- meaning effectively in the Iraqi Council of Representatives (COR) and the Kirkuk Provincial Council -- because solidarity is paramount in advancing Kurdish interests in Iraq. Furthermore, even within the KRG, the parties campaign for more representation and diversity of political perspective, not for the overhaul of the bipartisan regime. They probably recognize that accommodation with the KDP and PUK is more likely to benefit the small parties than unrealistic attempts to supplant them.

17. (C) The KDP and PUK may be losing in popularity, but not in power. The situation parallels that in southern Iraq: discontent with both major political groups is clear, but the groups, dominance inhibits the rise of an alternative. The parties may make modest gains in the next elections if the PUK and KDP tolerate reasonable competition, but their true entry into the power structure probably would depend upon a larger change in Iraqi Kurdistan's two-party equilibrium. As long as the power-sharing arrangement between the KRG's two political juggernauts holds, the small parties will simply seek to influence policy from the periphery.